

CHECKLIST FOR VERIFYING NEW SUPPLIERS/VENDORS

Are you and export/import merchant, export/import agent, or you are online seller, looking to find new suppliers? If yes, then the following checklist will help you choose the best suppliers for you. This checklist, will also help you to verify new buyers and make sure, are they legit and able to buy from you. You can also ask same questions from the buyers, before entering selling transactions.

CHECK OF LEGALITY

1. Ask, what is the legal name of the company and when it was established.
2. Ask registered address, contact nr, registration nr, tax nr, website.
3. Ask company registration certificate copy- from that, you can see are the data, you asked in point 2 same or not.
4. Ask the proof, that company don't have unpaid tax depths- this helps to verify, is the company in trouble or not.
5. Ask the founder name and the name of CEO (people who has rights to sign contracts)- check, are the same names stated on the registration certificate.
6. Ask CEO, Founder Passport or ID copy (this you can do, before signing the contracts, at the beginning, company may not give you that info).
7. Ask, does company has branches or related companies, if yes, you should also ask the main details of these.

CHECK OF THE FINANCIAL CAPACITY OF THE COMPANY

1. Ask company's last 3 years yearly turnovers, in USD
2. Ask company last 3 years total nr of employees
3. Ask the company last 3 years balance sheets volumes
4. Ask the company last 3 years profits, before taxes (as, this is sensitive question, then you can only ask this, if the last 3 points indicates, that the company has been in loss in the 3-last year).
5. Ask company's last few years financial statements (ask, it if they don't give you answers to the last 4 questions)

CHECK OF THE MANUFACTURING CAPACITY

1. Ask company brochure and product(s) catalog.
2. Ask the list of the production equipment company has in the production facility.
3. Ask, how many workers they have in the production facility
4. Ask, which production operations company normally outsource
5. Ask, which details, parts company normally purchases.
6. Ask, how many M2 they have in total in their manufacturing
7. Ask, how many M2 they have for stocks/warehouse
8. **Ask photos and videos of their production facility and warehouse.

CHECK OF THE QUALITY CONTROLL IN THE COMPANY

1. Ask, does company has quality manager and people who deal with quality control every day?
2. Ask, does company has ISO9001 certificate? If yes, ask to see it.
3. If they don't have ISO9001, ask does they have a procedure in company, for preventing quality problems and discovering quality problems?
4. Ask, how company deals with the products with has quality problems?
5. Ask, what was the % of defected products last year?
6. Ask, how they check and control products, to make sure these meet the quality standards?
7. Ask, does they have equipment, instruments for checking the quality? If so, let them send the photos and list of the equipment.
8. *** Ask, can they give you some references of their current or past clients.
9. Ask, what kinds of certificates and licenses they have, and let them send you the copies of these.

NOTES: Asking questions, as stated above may be disturbing for some of the suppliers/companies, especially for the small companies, which doesn't have professional management. However, it is totally normal business practice in the developed world to verify suppliers like described below. You should always explain, that your goal is to do business with them, and you are asking these questions only to make sure, they are suitable partners for you and make sure your possible cooperation with them would be smooth for both sides.

NOTES: Each new supplier, shall be verified from each of the 4 previous aspects. If you are verifying the buyers, then first and second aspects are most important.

NOTES : You no need to get answers to the all questions, as in some companies, something maybe their business secrecy and they don't give info, BUT you must get as much info as needed to make realistic conclusions at the end of each aspect. Also, you can always ask more questions, questions written above were the ones, we suggest to ask, but the verifying is not limited with these only.

DISCLAIMER: We still suggest meeting and inspect the supplier/company personally before doing business with them, we also suggest using professional inspection company. Also, even the most detailed inspection won't eliminate the risk of fraud and possible quality problems 100% and exportimportpractical won't take any responsibility regarding this and regarding using our checklist.